

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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Chief Deputy



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**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

May 10, 2011

#25 MAY 10, 2011

**- REVISED -**

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO EXTEND THE SUPPLEMENTAL SECURITY INCOME  
APPEALS REPRESENTATION SERVICES CONTRACT  
(ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

The Department of Public Social Services (DPSS) seeks to extend the Supplemental Security Income (SSI) Appeals Representation Services contract on a month-to-month basis for up to 12 months effective June 1, 2011 to May 31, 2012.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Mayor of the Board of Supervisors to sign the attached amendment to extend the SSI Appeals Representation Services contract with Health Advocates, LLC on a month-to-month basis for up to 12 months effective June 1, 2011 through May 31, 2012. The current contract expires on May 31, 2011.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The extension will allow for the completion of a competitive solicitation for SSI appeals representation services, while assisting physically and mentally disabled General Relief (GR), Cash Assistance Program for Immigrants (CAPI) and California Work Opportunity and Responsibility to Kids (CalWORKs) participants in their disability hearings before the Social Security Administration (SSA). On February 4, 2011, the Department

*"To Enrich Lives Through Effective And Caring Service"*

received approval for the extension from the California Department of Social Services. Favorable decisions result in participants transitioning from GR, CAPI and CalWORKs benefits to SSI benefits and financial savings to the County. The Department also collects federal Interim Assistance Reimbursements (IAR) for GR participants, resulting in additional savings to the County. The Department collected \$12,750,705.22 in federal IAR for the period of July 2009 through June 2010.

### **Implementation of Strategic Plan Goals**

The recommendation is consistent with the principles of the Countywide Strategic Plan Goal No 1 (Operational Effectiveness) by maximizing the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services and Plan Goal No 2 (Children, Family and Adult Well-Being) by enriching lives through integrated, cost-effective and client-centered supportive services.

### **FISCAL IMPACT/FINANCING**

The maximum contract amount for the month-to-month extension effective June 1, 2011 through May 31, 2012 is \$1,981,447. The maximum contract amount for the current three-year term is \$5,944,341. The total 48-month maximum contract amount of \$7,925,788 includes \$60,000 in potential performance incentives and includes a fixed unit cost of \$1,142 per SSI approval.

The annual performance incentives are determined as follows:

- If the Contractor's SSI approval rate per fiscal year ranges from 65% to 69.99%, a \$10,000 bonus will apply.
- If the Contractor's SSI approval rate per fiscal year is 70% or higher, a maximum bonus of \$15,000 will apply.

Services provided to CAPI and CalWORKs participants are financed with State and CW Single Allocation funds respectively, at an annual amount of \$41,027 for each program. Services to GR participants are partially funded with County Service Block Grant – Health Related (CSBG-HR) and net County cost (NCC) at an annual amount of \$1,884,393, of which \$942,196 is NCC. Additionally, the annual performance incentives are funded with NCC up to the maximum of \$15,000. Funding for this contract is included in the FY 2010-11 Adopted Budget and the Initial Budget Request for FY 2011-12.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In 1990, pursuant to the lawsuit settlement with the City of Los Angeles, the County agreed to assist participants identified as SSI eligible due to physical or mental disability with SSI appeals representation services when SSI is denied at the reconsideration level. This level is a complete review of an applicant's claim by an SSA staff separate from the individual who reviewed and denied the initial application. If denied at the reconsideration level, then a hearing can be requested, which is conducted by an Administrative Law Judge who had no part in the denial at the application or reconsideration level.

The Department has contracted for these services since 1991. The Department in conjunction with community advocates agreed that attorneys would better provide these services due to the complexity of SSI law. The Department has contracted with Health Advocates, LLC since 2005.

As this is a Proposition A contract, the Contractor is currently in compliance with all requirements per the Los Angeles County Code Section 2.201, Living Wage Program. Additionally, the Auditor-Contractor has validated that this contract, subject to Proposition A guidelines, remains cost effective. Additionally, the Auditor-Controller validated the cost analysis for the initial contract in 2008. The Department validates that the work and the annual price of this contract will stay the same and thus, the contract remains cost effective for the extension on a month-to-month basis for up to 12 months.

## **CONTRACTING PROCESS**

Under the current contract, Health Advocates, LLC is required to achieve a win rate of 50% annually. For Fiscal Year (FY) 2008-09 and FY 2009-10, Health Advocates received the maximum performance incentive of \$15,000 for achieving a win rate of 76.57% and 72%, respectively. It is anticipated that they will exceed the 50% win rate for the current FY.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no employee impact as a result of this contract, since services are currently provided by a contractor. The approval of an extension for this contract will not infringe on the role of the County in relationship to its residents. The County's ability to respond to emergencies will not be impaired and there is no change in risk exposure to the County.

The Honorable Board of Supervisors  
May 10, 2011  
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**CONCLUSION**

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter and two signed copies of the amendment to the Director of DPSS.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Philip L. Browning". The signature is fluid and cursive, with the first name "Philip" and last name "Browning" clearly distinguishable.

Philip L. Browning  
Director

PLB:pb

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

**AMENDMENT NUMBER ONE**  
**SUPPLEMENTAL SECURITY INCOME APPEALS REPRESENTATION SERVICES**  
**CONTRACT #76550**

Reference is made to the document entitled "*Contract By and Between County of Los Angeles and Health Advocates, LLC for General Relief (GR), Cash Assistance Program for Immigrants (CAPI), California Work Opportunities and Responsibility to Kids (CalWORKs), Supplemental Security Income (SSI) Appeals Representation Services*" dated May 13, 2008, hereinafter referred to as "*Contract*."

WHEREAS, this Amendment does not impact the Contractor's cost effectiveness; and

WHEREAS, County and Contractor intend to amend this Contract as set forth below;

THEREFORE, effective upon the signatures of the parties, the Contract is amended as follows:

1. **SECTION 4.0 TERM OF CONTRACT**, Subsection 4.3 is added as follows:
  - 4.3 Insofar as funding is available, the term of the Contract shall be extended on a month-to-month basis, commencing June 1, 2011, and will automatically extend for additional one month increments on a month-to-month basis for a total time period not to exceed twelve months. Each monthly extension will occur without notice unless or until a ten (10) day notice by the Director of DPSS or authorized representative advises the Contractor that the Contract will no longer be extended.
2. **SECTION 5.0 CONTRACT SUM**, Subsection 5.1 is deleted in its entirety and replaced as follows:
  - 5.1 The annual maximum not-to-exceed cost under this Contract is \$1,981,447. The maximum not-to-exceed cost for the entire possible Contract term from June 1, 2008 through May 31, 2012 is \$7,925,788. All costs and contract amounts are subject to the continuing availability of GR, CAPI and CW program funds.
3. **SECTION 5.0 CONTRACT SUM**, Subsection 5.5, Invoices and Payments, Paragraph 5.5.7 is added as follows:
  - 5.5.7 Effective June 1, 2011, on a month-to-month basis through May 31, 2012, the Contractor's invoices shall be priced in accordance with Attachment B-1, BUDGET. The County shall pay the Contractor for each SSI approval verified/documented. The County shall continue to pay the Contractor a firm, fixed rate of \$1,142 per SSI approval per Contract Region as referenced in SECTION 5.0, CONTRACT SUM, Subsection 5.5, Paragraph 5.5.2.



**AMENDMENT NUMBER ONE**  
**SUPPLEMENTAL SECURITY INCOME APPEALS REPRESENTATION SERVICES**  
**CONTRACT #76550**

4. **SECTION 8.0, STANDARD TERMS AND CONDITIONS**, Subsection 8.51, Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program and Subsection 8.52, Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program, are added as follows:

**8.51 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

**8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Section 8.51 "Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

5. Attachment B-1, BUDGET, attached hereto and incorporated by reference, is added to Attachment B, Budget and Pricing Schedule, of this Contract.

All other terms and conditions of the Contract remain in full force and effect.

**AMENDMENT NUMBER ONE  
SUPPLEMENTAL SECURITY INCOME APPEALS REPRESENTATION SERVICES  
CONTRACT #76550**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by the Mayor, and the seal of said Board hereto affixed and attested by the Executive Officer and Clerk thereof, and Contractor has caused this Contract to be signed by its duly authorized Officer(s), on this 10<sup>th</sup> day of May 2011. The person(s) signing on behalf of Contractor warrants under penalty of perjury that he or she is authorized to bind Contractor.

Health Advocates, LLC

By *Al Lulman* C.E.O.  
Name and Title

By *Chris John* President  
Name and Title  
68-0587145  
Tax Identification Number

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

COUNTY OF LOS ANGELES

By *Mike Antonovich*  
Mayor, Board of Supervisors

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By *Benjamin Zavala*  
Deputy

ATTEST:

Sachi A. Hamai, Executive Officer  
Clerk of the Board of Supervisors  
of the County of Los Angeles



By *Benjamin Zavala*  
Deputy

APPROVED AS TO FORM:  
ANDREA SHERIDAN ORDIN, COUNTY COUNSEL

By *Allison Morse*  
Allison Morse, Senior Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 MAY 10 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**BUDGET  
PRICING SHEET**

Attachment B-1  
1 of 2

**SSI APPEALS REPRESENTATION SERVICES BUDGET SHEET**

**DIRECT COST** (List each staff classification)

Payroll:	FTE*	Hourly Rate	Monthly Salary
Employee Classification	2.37	\$ 45	\$ 18,435
Employee Classification	17.31	\$ 15.81	\$ 47,333
Employee Classification	1.55	\$ 30	\$ 8,045

Others (Please continue to list)

**Total Salaries and Wages** \$ 73,813

\*FTE = Full Time Equivalent Positions

Employee Benefits	No. of Employees	Monthly Cost per FTE
Medical Insurance	33	\$ 13,059
Dental Insurance	31	\$ 568
Life Insurance	45	\$ 90
Other (list) - Vision	23	\$ 17
<b>Total Benefits</b>		<b>\$ 13,734</b>

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Workers' Compensation, etc.)

OASDI / Medicare	\$ 5,647
FUI	\$ 510
SUI	\$ 123
	\$

**Total Payroll Taxes** \$ 6,280

Insurance (List Type/Coverage. See Sample Contract, Sub-paragraph 8.25, Insurance Coverage Requirements)

Professional Liab / W/C / Employment Practices	\$ 2,300
	\$
	\$
Vehicles	\$
Supplies	\$ 1,000
Services	\$ 600
Office Equipment	\$ 1,200
Telephone/Utilities	\$ 580
Other (please continue to list)	\$

**Total Insurance/Misc. S & S** \$ 5,680

**TOTAL DIRECT COSTS** \$ 99,507

**INDIRECT COST** (List all appropriate)

General Accounting/Bookkeeping	\$
Management Overhead (HR, Acctg, IT)	\$ 3,700
Other (Specify)	\$

**TOTAL INDIRECT COSTS** \$ 3,700

**TOTAL DIRECT AND INDIRECT COST** \$ 103,207

PROFIT (Please enter percentage: 8%) \$ 8,975

**TOTAL MONTHLY COSTS** \$ 103,207



## BUDGET

Attachment B-1  
2 of 2

### EMPLOYEE BENEFITS

#### Medical Insurance/Health Plan:

Employer Pays \$ 233.93 Employee Pays \$ 77.98 Total Mo. Premium \$ 311.91

#### Annual Deductible

Employee \$ 0 Family \$ 0

#### Coverage (✓)

☒ Hospital Care (In Patient \_\_\_\_\_ Out Patient ☒)  
☒ X-Ray and Laboratory  
☒ Surgery  
☒ Office Visits  
☒ Pharmacy  
☐ Maternity  
☒ Mental Health/Chemical Dependency, In Patient  
☒ Mental Health/Chemical Dependency, Out Patient

#### Dental Insurance:

Employer Pays \$ 9.82 Employee Pays \$ 3.27 Total Mo. Premium \$ 13.09

#### Life Insurance:

Employer Pays \$ 2.00 Employee Pays \$ 0 Total Mo. Premium \$ 2.00

#### Vacation:

Number of Days 10 and

Any increase after 5 years of employment, number of days or hours 15 days

#### Sick Leave:

Number of Days 3 and

Any increase after 0 years of employment, number of days or hours 0

#### Holidays:

Number of Days 15 per year

#### Retirement:

Employer Pays \$ 0 Employee Pays \$ 0 Total Premium \$ 0